

SENATE BILL No. 643

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10-8.

Synopsis: Health care coverage for retired state police. Requires the state police department to pay health care coverage premiums for retired police and civilian employees of the state police department who participate in the state police department's health self-insurance plan. Establishes the state police retiree health coverage fund to pay for the health care coverage for retired employees and provides for contributions to the fund.

Effective: July 1, 2005.

Lanane, Craycraft

January 24, 2005, read first time and referred to Committee on Pensions and Labor.

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First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

SENATE BILL No. 643

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 5-10-8-6 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) The state police department,
3 conservation officers of the department of natural resources, and the
4 state excise police may establish common and unified plans of
5 self-insurance for their employees, including retired employees, as
6 separate entities of state government. These plans may be administered
7 by a private agency, business firm, limited liability company, or
8 corporation.
9 (b) **Except as provided in sections 6.1 and 6.2 of this chapter**, the
10 state agencies listed in subsection (a) may not pay as the employer
11 portion of benefits for any employee or retiree an amount greater than
12 that paid for other state employees for group insurance.
13 SECTION 2. IC 5-10-8-6.1 IS ADDED TO THE INDIANA CODE
14 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
15 1, 2005]: **Sec. 6.1. (a) The plan of self-insurance established by the**
16 **state police department under section 6 of this chapter must**
17 **provide health care coverage to each retired police employee and**



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each retired civilian employee of the state police department who:

(1) is receiving retirement benefits;

(2) either:

(A) is participating in the state police department's self-insurance plan on June 30, 2005; or

(B) retires after March 31, 2005, and elects, not more than ninety (90) days after the employee's retirement date, to participate in the state police department's self-insurance plan; and

(3) makes the contribution required by subsection (f).

(b) Except as otherwise provided in this section, the health care coverage provided to retired employees under this section must be equivalent to the health care coverage provided under the self-insurance plan to active employees of the state police department.

(c) The state police department shall pay the employer's share of the premium for health care coverage provided to retired employees under this section and, except for the contribution required under subsection (f), the state police department shall also pay the retired employee's share of the premium.

(d) A retired employee who is eligible under this section for health care coverage under the plan of self-insurance established by the state police department under section 6 of this chapter may elect to have the retired employee's spouse and eligible dependents receive health care coverage under the self-insurance plan. However, the retired employee must pay the premiums established by the self-insurance plan for coverage of the retired employee's spouse and eligible dependents.

(e) In addition to amounts contributed under IC 10-12-3-4 or IC 10-12-4-4 to the state police pension trust fund, each active police employee and active civilian employee of the state police department shall contribute to the state police retiree health coverage fund established by section 6.2 of this chapter, by monthly deduction, the following percentage of the employee's wages (excluding payments for overtime and determined without regard to any salary reduction agreement established under Section 125 of the Internal Revenue Code):

(1) An employee who has been employed for less than six (6) years shall contribute one and twenty-five hundredths percent (1.25%) of the employee's wages.

(2) An employee who has been employed for at least six (6) years but less than eleven (11) years shall contribute one and

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one-half percent (1.5%) of the employee's wages.

(3) An employee who has been employed for at least eleven (11) years but less than sixteen (16) years shall contribute one and seventy-five hundredths percent (1.75%) of the employee's wages.

(4) An employee who has been employed for at least sixteen (16) years but less than twenty-one (21) years shall contribute two and twenty-five hundredths percent (2.25%) of the employee's wages.

(5) An employee who has been employed for at least twenty-one (21) years shall contribute two and one-half percent (2.5%) of the employee's wages.

However, if the employee does not elect to participate in the state police department's self-insurance plan after the employee begins receiving retirement benefits, the employee is entitled to a refund of the contributions made by the employee under this section.

(f) A retired employee who is participating in the self-insurance plan under this section must contribute each month to the state police retiree health coverage fund established by section 6.2 of this chapter one percent (1%) of the retired employee's monthly pension benefit that is paid for service with the state police department.

SECTION 3. IC 5-10-8-6.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6.2. (a) The state police retiree health coverage fund is established to pay the costs of funding health care coverage provided to retired police employees and retired civilian employees of the state police department under section 6.1 of this chapter.

(b) The state police department shall administer the fund.

(c) The expenses of administering the fund shall be paid from money in the fund.

(d) The fund consists of the following:

(1) Amounts contributed by active employees of the state police department under section 6.1(e) of this chapter.

(2) Amounts contributed by retired employees of the state police department under section 6.1(f) of this chapter.

(3) Interest earned on money in the fund.

(4) Amounts appropriated by the general assembly.

(e) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from the investments must be deposited in the fund.

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- 1 (f) Money in the fund at the end of a state fiscal year does not
2 revert to the state general fund.

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